

MINUTES
MICHIGAN STATE TRANSPORTATION COMMISSION MEETING
February 27, 2003
Lansing, Michigan

Meeting noticed in accordance with Open Meetings Act, Public Act 267 of 1976.

Present: Ted Wahby, Chairman
Lowell Jackson, Commissioner
John Garside, Commissioner
C. Robert Baillod, Commissioner

Frank Morway, Chief Examiner
Kristine Rivas, Executive Assistant
Pat Isom, Assistant Attorney General
Gloria Jeff, Director
Leon Hank, Chief Administrative Officer
Larry Tibbits, Chief Operations Officer
Sharon Edgar, Passenger Transportation
Myron Frierson, Bureau of Finance and Administration
Susan Mortel, Bureau of Transportation Planning
John Friend, Bureau of Highway Delivery
Terry Anderson, Bureau of Highway Development
Kirk Steudle, Chief Deputy Director

Absent: Betty Jean Awrey, Vice Chairwoman
Robert Bender, Commissioner

A list of those people who attended the meeting is attached to the official minutes.

Chairman Wahby called the meeting to order at 9:15 a.m. in the Bureau of Aeronautics Auditorium, Lansing, Michigan.

COMMISSION BUSINESS

Commission Minutes

It was moved by Commissioner Baillod, with support from Commissioner Jackson, to approve the minutes of January 27, 2003, as submitted. The motion carried on a unanimous voice vote.

Commission Resolution

Chairman Wahby then called for an amendment to the agenda, making a proposed Commission Resolution an action item. Chairman Wahby called upon Director Jeff to introduce the proposed Resolution. Director Jeff then thanked the Commission for their participation in the workshop prior to today's Commission meeting to discuss the issue of the Detroit Area Regional Transportation Authority (DARTA). Director Jeff then asked that the Commission add as an item of business a Resolution which would do three things: 1) support

the creation of a DARTA, 2) support the concept of regional public transportation in southeastern Michigan, and 3) call for the legislature to take action upon such a proposal this year. Director Jeff then indicated they had provided a proposed Resolution to the Commission, and they would look to the members of the Commission for action upon it.

Commissioner Jackson then stated the State Transportation Commission, some 18 months ago, had commissioned a small committee to look at the transit part of Act 51 when the overall Act 51 study was being performed, and that this concept was one of the recommendations that came out of that report, so it is entirely consistent with Commission Policy and the Commission acceptance of that report and its conclusions. Commissioner Jackson then moved the Resolution before the Commission in support of the DARTA legislation. Commissioner Garside supported the motion and it carried on a unanimous voice vote.

Chairman Wahby then commented upon the need for a quorum for the March meeting, noting that Commissioner Awrey and Commissioner Jackson were scheduled to be out. The remaining members in attendance indicated they planned on attending the March meeting, and Chairman Wahby indicated that Commissioner Bender also planned on attending.

OVERSIGHT

Request for Michigan State Transportation Commission Approval: Contracts (Exhibit A) and Bid Letting Pre-Approvals (Exhibit A-1)

Myron Frierson, Director, Bureau of Finance and Administration, provided the Commission with an overview of the letting statistics for February, 2003. Commissioner Baillod then asked, projecting forward to the end of the Fiscal Year, where we would end up in terms of total letting dollars. Mr. Frierson indicated that the Department was evaluating the program to better align with the Governor's initiative and emphasis on preservation. Until those proposals are accepted, it would be premature to try to speculate where we will end up. The goal is to try to meet the same degree of letting dollars that were announced, but the mix of those projects and the letting of those projects is still under review. Commissioner Jackson commented that the bar chart on the cumulative indicates that the front loading of the year is a little behind schedule. Mr. Frierson responded he believes that we are making significant progress; we have had some changes that we had to adjust to, but that from a production standpoint, we are making progress as planned.

Director Jeff commented to Commissioner Jackson that in looking at some of the capacity improvement projects for this Fiscal Year, we have deferred those while we look at preservation, and we are going to replace those dollars with additional preservation projects. So again, you will see a slight difference, but we are targeting to be at the announced level at the end of the Fiscal Year.

Commissioner Jackson asked Director Jeff if the projects financed under the Build Michigan II and III Bond Programs are the kinds of projects being delayed. Director Jeff responded that there were some \$240,000,000 in projects in Build Michigan III for which the bonds have already been sold. The majority of those projects are moving forward since the projects have already been let or are well along the way. What we are now looking at are those projects for which the bonds have not been sold and looking at replacing capacity improvement projects

with preservation projects. Again, the focus is not to reduce the size of the program but to continue to focus primarily on preservation. Commissioner Jackson asked further if this would change the goal relative to the number of good miles. Director Jeff indicated that we are still targeting for 2007; she is optimistic that we may be able to accelerate, but does not want to hold her staff to her optimism yet.

It was moved by Commissioner Jackson, with support from Commissioner Garside, to grant approval to the Department to proceed with the contract process. The motion carried on a unanimous voice vote.

Letting Exceptions (Exhibit A-2)

Terry Anderson, Director, Bureau of Highway Development, indicated these projects were in excess of 10 percent of the engineer's estimate, with the first item being in excess of 24 percent. Mr. Anderson indicated the Department had provided an explanation for this project and asked if the Commissioners had any questions that he could clarify for them. Chairman Wahby indicated he understood that on some of these explanations of differences, Mr. Anderson was going to check into some of the items that may be spread out through the costs, such as mobilization, and he would be getting back with the Commission. Mr. Anderson replied in the affirmative. Mr. Anderson then explained that item 1 was an unbalanced bid. They had done an analysis to get an insight into the causes and reasons for this. Their conclusion was this was a very complicated project, requiring a lot of traffic control, a 15 mile area, with a number of subcontractors, but they also attribute some of the costs being shifted around as fixed costs. Mr. Anderson explained that mobilization is limited on our projects, and when they are less than \$20 million, mobilization is fixed at 5 percent. This appears to be a little bit of a problem for the contractors and, therefore, we have some shifting around in the bid prices for various items. Commissioner Jackson noted he had commented last month on an unbalanced bid having to do with pipe, and there was a 28,000 percent unbalance there, and here we have a 12,000 percent unbalance. Mr. Anderson indicated we attribute that to not doing a good cost estimate in regard to traffic control and also to the matter of costs associated with mobilization, or the fixed costs. Director Jeff commented they have established quarterly meetings with the engineering staff and the contracting community to understand some of their issues and concerns with performing our work and, in that regard, are going to be looking at some of these kinds of issues to facilitate our own quality work in doing a better job in estimating and taking into account these kinds of issues.

Mr. Anderson then discussed the remaining Exhibit A-2 items.

It was then moved by Commissioner Jackson, with support from Commissioner Baillod, to grant approval to the Department to proceed with the contract process. The motion carried on a unanimous voice vote.

Contract Adjustments (Exhibit B)

John Friend, Director, Bureau of Highway Delivery provided an overview of Item 3-3, a project at the intersection of M 58 and M 47 in the City of Saginaw. Brian Ness, North Region Engineer, provided an overview of Item 2003-13, a 2.5 mile reconstruction project in Cheboygan.

It was then moved by Commissioner Jackson, with support from Commissioner Garside, to grant approval to the Department to Exhibit B. The motion carried on a unanimous voice vote.

Transportation Asset Management Council Work Program (Exhibit C)

Commissioner Jackson commented the State Transportation Commission had been provided this Exhibit at the January Commission Meeting. Chairman Wahby indicated they had and then asked Carmine Palombo, Chairman of the Transportation Asset Management Council, if he had received any comments on the draft. Mr. Palombo indicated he had not received any comments. However, he would address any comments the State Transportation Commission may have and that they were seeking the Commission's approval of the Work Program.

Commissioner Baillod raised a question regarding page 9, paragraph 3, regarding the two ways the report describes the council could handle the requirement. One way implies it could take five months while the other implies things could start right away. Commissioner Baillod indicated the implication of starting right away was not quite accurate. Mr. Palombo agreed and suggested deleting the language after the word objective in the second paragraph through the last bullet. Commissioner Baillod indicated that would work. Commissioner Jackson referred to his comment from last month's meeting, that the Council not restrict their assessment to the engineering deficiencies, but that they also include benefit/costs and other good comparisons. Mr. Palombo indicated they would absolutely do so. Chairman commented that everything that is done should comply with Department procedures. Mr. Palombo responded in the affirmative.

It was then moved by Commissioner Garside, with support from Commissioner Baillod, to grant approval of the Transportation Asset Management Council Work Plan. The motion carried on a unanimous voice vote.

PRESENTATIONS

Director's Report

Director Jeff began her report by introducing a former Chairman of the State Transportation Commission, Hannes Meyers. Director Jeff also introduced Chief Deputy Director, Kirk Steudle. Director Jeff then updated the Commission on the R Avenue project in Kalamazoo relative to MDOT's facilitation of meetings seeking a compromise, and on the I 94 127 Interchange in Jackson, that MDOT had put Mr. North in contact with the local planning commission. Director Jeff then informed the Commission that she was now officially the Director of MDOT based on her confirmation hearing and approval by the Senate. Chairman Wahby offered Director Jeff the Commission's congratulations.

Commissioner Baillod asked about the Friends of R Avenue project and whether it had been

let. Terry Anderson, Director, Bureau of Highway Development, commented that the question had been raised with the Kalamazoo County Road Commission, and they wanted to proceed. Mr. Anderson commented further that they had facilitated a meeting between the Friends of R Avenue and the Road Commission. In the end, they had agreed the parties would get together and discuss the project. Mr. Anderson's understanding was that they did get together, they did reach some compromises, and they will make some adjustments to the design. He commented those adjustments could be made during the construction phase so it is proceeding. Commissioner Jackson commented on a job well done.

Reauthorization

Susan Mortel, Director, Bureau of Transportation Planning, and Sharon Edgar, Division Administrator, Passenger Transportation Division, gave a Power Point presentation on the Reauthorization of the Transportation Equity Act for the 21st Century. Ms. Mortel discussed the progress that has been made in providing more equity to Michigan and the importance of improving upon that equity for Michigan in TEA-3, along with the plan, approach, and guiding principles we are following to do so. Ms. Mortel indicated we are aiming at a 95 percent of return for Michigan. Ms. Edgar provided an overview of the transit program, the funding that had been received, how the funding is used, and the need to increase the rate of return for transit funding. Director Jeff and Ms. Mortel then responded to questions and comments from the Commissioners.

Transportation Asset Management Council

Susan Mortel, Director, Bureau of Transportation Planning then provided the Commissioners with an update on the Transportation Asset Management Council activities, referencing the January, 2003 monthly report and activities that occurred in February. Ms. Mortel also discussed the development of the annual report that is scheduled to be presented to the Commission in May, 2003. She also indicated there are a number of consulting firms interested in developing a model for the strategy that is called for in the work plan. The Council is going to put together the criteria for a Request For Proposal for the selection of a model, and one of the criteria that will be included is the cost/benefit analysis that Commissioner Jackson has recommended.

Regional Transit Update

Kevin Wisselink, United Cerebral Palsy of Michigan, and Kelly Thayer, Michigan Land Use Institute, then discussed The Regional Ride report that had recently been issued. This is the second report of a series of four planned reports aimed at improving public transportation. The discussion addressed regional transportation in five specific areas: Detroit, Ann Arbor, Grand Rapids, Traverse City, and Sault Ste. Marie.

Commissioner Jackson commented on the portion of the report pertaining to Traverse City and corrected a statement in the report relative to citizens in Leelanau County voting down a property tax increase to support BATA. Commissioner Jackson's recollection was that Leelanau County supported the increase. Mr. Thayer indicated that Commissioner Jackson was correct. Commissioner Jackson also commented on the importance of local support for the transit system. He also indicated his pleasure that the report was not anti-roads and

suggested that in future reports, they look at communities that have back-slid in their support for transit.

Bob Risser from the Concrete Paving Association presented an award to MDOT. Mr. Risser presented a plaque to Director Jeff from the American Concrete Paving Association which had selected the Southfield reconstruction project as the best urban reconstruction project in the United States for 2001. Mr. Risser acknowledged the Commission, the Director, Team MDOT, the Metro Region, and the Taylor TSC for a job well done. Mr. Risser also noted he was accompanied by Jamie Jacob from Ajax Paving Industries, the paving contractor on the project. Director Jeff thanked Mr. Risser, recognizing Kirk Steudle, John Friend, and Terry Anderson on behalf of MDOT for a job well done.

ADJOURNMENT

Chairman Wahby noted that the next meeting was a joint meeting with the Aeronautics Commission in Lansing on March 27, 2003. The meeting was then adjourned at 10:45 a.m.

Commission Advisor